

The amendments to the claims are supported in the specification as follows. First, former independent claims 93 and 102 have been canceled in favor of new independent claims 107 and 108, respectively, which incorporate the amendments to the former claims. Next, amendments to the independent claims are supported at, *e.g.*: page 4, lines 14-18 and page 36, lines 7-9 (commodity exchanges); page 24, lines 19-29, page 27, lines 17-21, page 34, lines 4-8, and page 65, lines 8-20 (allocating buy offers to sell offers); page 25, lines 10-24 (message types and contents); page 26, lines 5-6 and page 58, lines 19-20 (message exchange architecture); page 35, lines 5-20 (participant responses and objectives); page 28, lines 5-8 and page 42, lines 21-23 (exchange objectives); page 93, lines 30-35 (processor and memory); and page 35, lines 25-27 (satisfactory exchange).

Amendments to dependent claim 95 are supported at, *e.g.*, page 35, lines 25-27. Remaining amendments to the dependent claims are merely to improve format and provide correct antecedent basis in view of amendments to the independent claims.

Finally the new claims are supported at, *e.g.*: page 31, lines 21-25 (claim 109); page 47, lines 7-11 (claim 110); page 58, lines 24-27 and page 60, lines 5-10 (claim 111); page 44, lines 20-23 (claim 112); page 56, lines 21-26 (claim 113); and page 31, lines 21-25 (claims 114 and 115).

Upon entry of the instant amendments, claims 87-92, 95-100, and 103-115 will be pending in this application. The amended claims are presented in the Appendix. In case of any discrepancy between the above-described amendments and the claims in the Appendix, the Applicants intend that the above-described amendments control.

Claim Objections

The Examiner has objected to the claims as not preserving the original claim numbering. In response, the Applicants have renumbered all the claims, as well as references to parent claims in dependent claims, as required by the Examiner. All further references herein will be to the claims as correctly renumbered.

The Examiner has also objected to computer-readable-device claims 92 and 106 because they include references to the independent method claims 87 and, as the Examiner correctly noted, 102 (now claim 108), respectively. As recommended by the

Examiner, these claims now explicitly recite the steps in the referenced independent claims 87 and 108 (formerly claim 102), respectively, as amended.

The Applicants respectfully submit that these amendments overcome or obviate all of the Examiner's claim objections.

Double Patenting

The Examiner has rejected claims 87-106 under the judicially created doctrine of double patenting over claims 1, 4, 5, 16-18, 22, 23, 27, 62, 64-66, 68-70, 81, and 83 of US Patent No. 5,873,071 to Ferstenberg et al. ("the '071 Patent").

The Examiner has made a non-statutory double patenting rejection of the type presented in the M.P.E.P. § 804(II)(B)(2) ("Another Type of Nonstatutory Double Patenting Rejection"). This type of rejection is stated to be appropriate where the rejected claims are considered non-obvious over the claims of the reference patent but nevertheless represent an "unjustified timewise extension of the right to exclude."¹ Indeed, the Examiner has not contended that the instant claims are obvious in view of the claims of the '071 Patent. To overcome this type of rejection, the rejected claims must be shown to be "separate and distinct" from the asserted claims of the reference.²

The Applicants respectfully submit that the claims of the present invention are in fact "separate and distinct" from asserted independent claims 1, 62, 69, and 81 (as well as claim 45) and asserted dependent claims 4, 5, 16-18, 22, 23, 27, 64-66, 68, 70, and 83 of the '071 Patent for the following reasons. First, independent claim 87 (and independent claim 92) of the present application, and its dependent claims, recites steps of generating electronic "opening", "offer", and "counter-offer" messages, without any recitations of means for generating such messages, such as particular computer processes. Instead, independent claims 1 and 81 of the '071 Patent are different. They recite a plurality of "computer-based machines" and "computer programs", which are neither recited nor inherent in claim 87. Claim 81 also recites a plurality of "client-interface electronic processes", an "exchange-driver electronic process", and an "electronic database". Claims 62 and 69 are also different in that they require, *inter alia*, an "intermediary computer program" and an "e-agent computer

¹ M.P.E.P. § 804(II)(B)(2).

² Id.

program”, respectively, neither of which are required by claim 87. Claim 69 also recites receiving electronic “order” messages. Finally, claim 45 is different because a step of “generating electronic opening messages” is not required by the steps of “sending” only “offer” and “counter-offer” messages. Therefore, present claim 87, reciting message generation, is necessarily distinct from the claims of the ‘071 Patent, reciting computer processes. Since the asserted independent claims of the ‘071 Patent are distinct from pending independent claim 87, both the asserted dependent claims and the claims dependent on claim 87 are also necessarily distinct.

Next, independent claim 107, and its dependents, recites no more than a processor and a memory configured to generate “offer” messages, without any recitation of the number of computer programs generating these messages. In contrast, independent claims 1, 45, 62, 69, and 81 explicitly recite, *inter alia*, exchanging “opening”, “offer”, and “counter-offer” messages between both “e-agent” and “intermediary” computer processes or programs. Claim 69 also recites “order” messages, while claim 81 also recites “client-interface” and “exchange-driver” processes and an “electronic database”. Therefore, claim 107, and its dependents, which claims at most one program, is also different from the asserted claims of the ‘071 Patent, all of which claim additional elements neither explicitly nor inherently part of claim 107.

Finally, independent claim 108 (and independent claim 106), and its dependents, recites only a computer method for generating “opening” and “counter-offer” messages, which may be generated by one, two, or more programs. Therefore, for the same reasons as with regard to claim 107, claim 108, and its dependents, which claims at most one program, is also distinct from all the asserted claims of the ‘071 Patent.

In conclusion, the Applicants respectfully submit that the pending claims of this application recite inventions that are “separate and distinct” from the inventions claimed in the ‘071 Patent, and therefore allowance of the present application will not represent an “unjustified timewise extension of the right to exclude.” Therefore, the Applicants courteously request withdrawal of the instant double patenting rejection.

Claim Rejections Under 35 U.S.C. § 102(e) Over Ausubel

The Examiner has rejected claims 87-96, 99, and 101-106 under 35 U.S.C. §102(e) as being anticipated by US Patent No. 5,905,975 to Ausubel (“Ausubel”). In

response, the Applicants respectfully submit that Ausubel simply fails to anticipate because it does not identically disclose each and every element of any claim of the instant application. That a single reference, to anticipate, must disclose each and every elements of a claimed invention is, of course, well known.³

Briefly, all independent claims of the present invention, claims 87, 107, and 108 (and independent claims 92 and 106), are directed to intermediated exchanges of commodities, at which participants buy and sell, and not to auctions of commodities, at which participants only buy. In particular, the independent claims recite, *inter alia*, receiving or generating opening messages from participants, which comprise digital data representing bounds on commodity amounts to buy and sell, and also generating either offer messages to participants or counter-offer messages from participants, or both, which also comprise digital data representing offers to sell and offers to buy one or more commodities. The Applicants respectfully submit that neither of these elements are disclosed in Ausubel, because, being directed to auctions, this reference discloses only participant purchases, never participant sales. Further, independent claims 87 and 107 also recite that, for each commodity exchanged, the total amount of all buy offers in all the offer messages equals the total amount of all sell offers. It is also respectfully submitted that this is not disclosed, or even remotely hinted at, in Ausubel, because this reference discloses only net transfers of items (or commodities) to participants and not to exchanges of items (or commodities) between participants.

In more detail, Ausubel's failure to disclose these key elements of the pending independent claims is not surprising, because this reference is entirely limited to computer implemented methods and systems for performing auctions, which are completely different types of transactions from the intermediated exchanges of commodities to which the instant invention and all its pending claims are directed. In auctions, as is well known, an auctioneer-intermediary sells (or manages the sale of) one or more items to auction participant-buyers, or "users" or "bidders", and upon completion of the auction, transfers (or directs the transfer) of the items sold to the one participant (or at most to the few participants) who submitted the winning bid.⁴ To arrive at the winning bid, the auctioneer solicits bids

³ See, *e.g.*, M.P.E.P. § 2131 (and the cases cited therein).

⁴ Ausubel, col. 1, lines 61-65; col. 29, lines 4-6; col. 31, lines 30-32; col. 35, lines 42-45.

from participants, and determines final prices and auction completion when, for example, bid revenue is maximized.⁵

In contrast, the commodity exchanges of the present invention are between the participants only. The central intermediary is merely a facilitator, proposing possible exchanges in view of the requests and objectives of the participants.⁶ When the participants find the exchange satisfactory, the agreed upon amounts of the commodities are exchanged directly among the participants, without any action by the intermediary.⁷ Further highlighting the difference from Ausubel's auctions, the current invention preferably does not determine prices.⁸ Instead, the intermediated exchange occurs at prices prevailing in external markets.

Because of the fundamental differences between auctions and exchanges, the intermediary and participants of the present invention's play entirely different roles than the roles of Ausubel's auctioneer and bidders. In the present invention, for a commodity to be exchanged between the participants, one or more participants necessarily must be "sellers" of that commodity, while one or more other participants must be "buyers."⁹ The intermediary is only facilitator that sums up the amounts of each commodity offered by those participants seeking to "sell" that commodity, and then fairly allocates this total amount to those participants seeking to "buy" in a manner reflecting the joint objectives of the participants in the exchange (called "crossing" the "buys" with the "sells").¹⁰ The intermediary neither directs the distribution of any commodities, nor accumulates any commodities, nor determines prices. Stated differently, for each commodity exchanged in an intermediated

⁵ The Applicants note that their invention, instead of determining prices to maximize auctioneer revenue, instead determines commodity amounts to exchange at externally given prices which preferably maximize the amounts exchanged while minimizing the unfairness in the allocation of commodities among the participants. See, *e.g.*, claims 96-100. The goals of the Applicant's invention are quite different and distinct from the goals of Ausubel's auctions.

⁶ SPEC., page 4, lines 14-18, 27-34.

⁷ SPEC., page 36, lines 7-9.

⁸ SPEC., page 31, lines 21-25.

⁹ See, *e.g.*, SPEC., page 33, line 5 to page 35, line 4; page 47, Table 3 (describing that counter-offer generation depends on participant purchases and sales).

¹⁰ SPEC., page 24, lines 19-25; page 27, lines 18-26

exchange of the present invention, participants must be buyers and sellers, and the amount the intermediary offers to “buy” from the participants (*i.e.*, the amount the participants inform the offer to “sell” to the intermediary) must equal the amount it offers for “sale” (*i.e.*, the amount the participants offer to “buy” from the intermediary).¹¹ The intermediary merely crosses these buys and sells, and never takes part in any actual transfers.

In contrast, in Ausubel’s auctions, items are transferred only from (or at the direction of) the auctioneer to the successful bidder. Therefore, the bidders can only be purchasers, bidding for the purchase of either variable amounts of a single item (Examples 1-3), or for subsets of a group of different items (Examples 4-10).¹² In fact, careful reading reveals that throughout Ausubel’s disclosure bidders are always purchasers who receive items upon auction termination if they are successful.¹³ Nowhere is it disclosed, suggested, or even hinted that in the same auction certain users can be buyers, while certain other users can be sellers.¹⁴ Further, since the bidders are not sellers (and certainly not both buyers and sellers), the auctioneer has no need to, and in fact cannot, balance (or “cross”) the amounts of items bought with the amounts sold.

Turning now to the computer systems and methods disclosed in Ausubel and claimed in the present invention, the Applicants submit that the differences set forth above are clearly reflected in the entirely different detailed functioning of the systems of the present invention and those of Ausubel. Although both the present invention and Ausubel exchange messages between a plurality of participant, or bidder, systems and one central intermediary, or auctioneer, system, respectively, with no messages being exchanged directly between participant or bidder systems, any similarity in message paths does not extend to message

¹¹ SPEC., page 65, lines 8-20.

¹² All the examples presented in the specification, from col. 10 to the end at col. 41, describe bidders who bid on variable quantities of a single item or various subsets of a group of different items.

¹³ For example, bid messages are uniformly described as containing only purchase related information. See, *e.g.*, at col. 2, lines 39-47 and at col. 6, lines 50-56.

¹⁴ Despite the suggestion at col. 7, lines 23-28, nowhere does Ausubel explicitly disclose that in the same auction some bidders can be buyers, some bidders can be sellers, some bidders may be both, and the auctioneer merely crosses buys and sells without determining prices. All these elements are required by various of the pending claims.

contents.¹⁵ The contents of the messages disclosed by Ausubel and recited in the present invention are fundamentally different, reflecting the fundamental differences between and auction and an exchange.

First, in the present invention, all pending claims are directed to methods or systems for commodity exchanges between participants facilitated by a single intermediary.¹⁶ Because the exchange is between participants, some participants must be buyers, some must be sellers, and some may be both. Therefore opening, offer, and counter-offer messages exchanged between participants and the intermediary must comprise digital data representing both buy and sell offers or buy and sell requests.¹⁷ These messages cannot be limited to data representing only participant purchases, or intermediary sales, as would suffice for an auction. But in Ausubel's auctions, the contents of the messages exchanged are just so limited. Bidders are only purchasers; bids are for the purchase of either variable amounts of a single item (Examples 1-3), or for subsets of a group of different items (Examples 4-10); and bids are disclosed as generally containing only an "expression of the willingness-to-pay or value which a bidder places on object(s)."^{18, 19} None of Ausubel's message contain bidder sales information, certainly not the disclosed bid messages from bidders, nor even the other disclosed messages - the initial message, the query messages, and the final message - which are, in fact, never disclosed to contain either sales or purchase information of any type. So Ausubel cannot anticipate any independent claim, claims 87, 107, and 108 (also independent claims 92 and 106), all of which recite, *inter alia*, generating either offer messages to participants or counter-offer messages from participants, or both, which comprise digital data representing participant offers to sell and intermediary offers to buy one or more commodities.

¹⁵ SPEC., page 26, lines 7-8; Ausubel, col. 2, lines 30-65; col. 26, lines 2-4; Figs. 1 and 2.

¹⁶ SPEC., page 4, lines 14-18, 27-34.

¹⁷ SPEC., page 25, lines 11-20.

¹⁸ Ausubel, col. 2, lines 43-44.

¹⁹ In fact, since in preferred embodiments the present invention uses externally determined prices, a participant's "willingness-to-pay" is not even a consideration.

Next, all independent claims of the present invention recite opening messages at the start of an intermediated exchange, which are sent from all the participants to the intermediary and specify bounds on the commodity amounts that a participant will accept during the following exchange.²⁰ Ausubel discloses no such opening messages, and certainly no such opening messages with data limiting the amounts a bidder will accept in an auction. The messages initiating an auction - the initial message and the bid first-query message - are disclosed, only briefly, as containing no more than a description of the following auction and a request for the initial bids.²¹

Finally, independent claims 87 and 107 also recite that the offer messages comprise digital data representing commodity exchanges, that is, for each commodity, the total amount of all buy offers in the offer messages must equal the total amount of all sell offers. This recitation reflects the role of the intermediary as merely a facilitator of commodity exchanges that has no stake in the commodities exchanged. This limitation is also not disclosed in Ausubel not only because Ausubel's messages do not contain bidder sales data, but also because, as set forth above, Ausubel's auctioneer is not concerned with balancing, or crossing, buys with the sells. Ausubel's auctioneer only transfers items auctioned to one or more bidders, and not between bidders as in the present invention. For this additional reason these claims are not anticipated by Ausubel.

In support of anticipation, the Examiner has cited several passages in Ausubel.²² The Applicants respectfully submit that none of these citations cast any doubt on the above submissions. In particular, none of these citations disclose or suggest auction-initiation messages comprising limits on the amounts a bidder will buy or sell, or messages during progress of an auction comprising bidder sales information and auctioneer purchase information, or messages from the auctioneer comprising equal total buy and sell amounts for any item.

Lastly, Ausubel cannot be rescued by interpreting Ausubel's auctioneer as a participant of the present invention. As already highlighted, Ausubel's auctioneer system

²⁰ SPEC., page 25, lines 18-20.

²¹ Ausubel, col. 2, lines 33-37; col. 8, lines 58-66.

²² Ausubel, col. 5, lines 5-10; col. 6, lines 50-63; col 7, lines 27-35; col. 9, lines 36-38; col. 11, lines 5-10, 15-32, and 44-57; col. 11, line 40 to col. 12, line 19; col. 12, lines 17-19 and 39-67.

exchanges messages only with the bidder systems during an auction, and, similarly, the present invention's intermediary system (or method) exchanges messages only with participant systems or methods. Since anticipation requires that the elements disclosed in a reference be arranged as in the claimed invention, the only proper interpretation of Ausubel in view of these message exchanges is that the disclosed auctioneer corresponds to the present invention's intermediary, and not to a participant.²³

In conclusion, the Applicants respectfully submit that, because Ausubel does not disclose, teach, or suggest, *inter alia*, the above elements of the Applicants' independent claims, this reference does not anticipate these claims, nor the claims dependent on these claims. Therefore, the Applicants courteously request reconsideration and withdrawal of the present rejections.

Allowable Subject Matter

The Applicants note that dependent claims 97, 98, and 100 were objected as being dependent upon a rejected base claim but would be allowable if rewritten to include all the limitations of the base and any intervening claims. Because the Applicants submit that the rejections of the base claims have been overcome, it is submitted that claims 97, 98, and 100 are allowable for this additional reason

The Applicants have reviewed the art made of record and not relied upon and respectfully submit that it does not disclose, teach, or suggest the invention recited in the claims.

CONCLUSION

The Applicants respectfully request entry of the foregoing amendments and remarks into the file of the above-captioned application. The Applicants believe that each ground for rejection or objection has been successfully overcome or obviated and that all the pending claims are in condition for allowance. Reconsideration and withdrawal of the Examiner's objection and rejections and allowance of the application is earnestly requested.

²³ See, e.g., M.P.E.P. § 2131 (and the cases cited therein).

No fee beyond that authorized in the accompanying Amendment Fee Sheet and Petition for Extension of Time is believed to be due. Please charge such any such fee deemed necessary to Pennie & Edmonds Deposit Account no. 16-1150.

If any outstanding issues remain, the Examiner is invited to telephone the undersigned to discuss the same and to arrange for prompt and efficient handling of the above-captioned application.

Respectfully submitted,

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Enclosures (Amendment Fee Sheet,
Petition for the Extension of Time for Three Months)